

**ASSEMBLY BILL**

**No. 2669**

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**Introduced by Assembly Member Eggman**

February 21, 2014

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An act to amend Section 62062 of the Food and Agricultural Code, relating to milk.

LEGISLATIVE COUNSEL'S DIGEST

AB 2669, as introduced, Eggman. Milk: stabilization and marketing plans.

Existing law provides for stabilization and marketing plans pursuant to which the Secretary of Food and Agriculture establishes minimum prices to be paid by handlers to producers for market milk. Existing law requires the secretary to take into consideration any relevant economic factors, as prescribed, in establishing those prices for milk.

This bill would make nonsubstantive changes in those provisions establishing milk prices.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 62062 of the Food and Agricultural Code
- 2 is amended to read:
- 3 62062. (a) Each stabilization and marketing plan shall contain
- 4 provisions whereby the ~~director~~ *secretary* establishes minimum
- 5 prices to be paid by handlers to producers for market milk in ~~the~~
- 6 ~~various~~ *all* classes. The ~~director~~ *secretary* shall establish the prices
- 7 by designating them in the plan, or by adopting methods or

1 formulas in the plan whereby the prices can be determined, or any  
2 combination of the foregoing. If the ~~director~~ *secretary* directly  
3 designates prices in the plan, the prices shall be in reasonable and  
4 sound economic relationship with the national value of  
5 manufactured milk products. If the ~~director~~ *secretary* adopts  
6 methods or formulas in the plan for designation of prices, the  
7 methods or formulas shall be reasonably calculated to result in  
8 prices that are in a reasonable and sound economic relationship  
9 with the national value of manufactured milk products.

10 ~~In~~

11 (b) *In* establishing the prices, the ~~director~~ *secretary* shall take  
12 into consideration any relevant economic factors, including, but  
13 not limited to, the following:

14 (a)

15 (1) The reasonableness and economic soundness of market milk  
16 prices for all classes, giving consideration to the combined income  
17 from those class prices, in relation to the cost of producing and  
18 marketing market milk for all purposes, including manufacturing  
19 purposes. In determining the costs, the ~~director~~ *secretary* shall  
20 consider the cost of management and a reasonable return on  
21 necessary capital investment.

22 (b)

23 (2) That prices established pursuant to this section shall ~~insure~~  
24 *ensure* an adequate and continuous supply, in relation to demand,  
25 of pure, fresh, wholesome market milk for all purposes, including  
26 manufacturing purposes, at prices to consumers ~~which~~ *that*, when  
27 considered with relevant economic criteria, are fair and reasonable.

28 (c)

29 (3) That prices, including the prices of components of milk,  
30 established by the ~~director~~ *secretary* for the various classes of  
31 market milk bear a reasonable and sound economic relationship  
32 to each other.

33 ~~In~~

34 (c) *In* establishing the prices, the ~~director~~ *secretary* shall also  
35 take into consideration all the purposes, policies, and standards  
36 contained in Sections 61801, 61802, 61805, 61806, 61807, 62076,  
37 and 62077.